



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

128 – 10th Avenue SW • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000

May 28, 2010

TO: CDBG Program Grant Recipients
CDBG Eligible Cities and Counties

FROM: Kaaren Roe, Program Manager
Washington State CDBG Program

SUBJECT: 2010 Community Development Block Grant (CDBG) Income Limits

The CDBG 2010 Income Limits for all counties are now available at the Department of Commerce website at www.commerce.wa.gov/cdbg. They are effective January 1, 2010, for existing and new CDBG projects.

The income limit table lists the 30 percent (extremely low-income), 50 percent (low-income), and 80 percent (moderate-income) levels of the median family income for each non-entitlement county. The 80% moderate-income limit qualifies a household for CDBG assistance.

Those conducting income surveys for an upcoming CDBG application are to use the 80% moderate-income limits. Completed surveys do not have to be redone.

Those qualifying a household for direct CDBG assistance (such as housing rehabilitation, side connection assistance, assessment payment, and some community facility programs), are to report on the number of persons and households receiving CDBG assistance at the 30%, 50%, and 80% income levels for federal statistical purposes.

Please contact CDBG program staff at 725-5020 if you seek more information on how to implement these changes if you are developing a grant application; or contact your CDBG contracts manager if you seek more information on how to implement these changes with an existing CDBG contract.

Instructions for implementing the new 2010 Income Limits

HOUSING REHABILITATION PROGRAMS

CDBG recipients using funds for housing rehabilitation programs may begin using the income limits immediately. Recipients are recommended to update their income qualifications, as appropriate, and inform the public of the change in the qualifications through newspaper articles, public notices, or other general information distribution methods. When income limits are included in the program guidelines, a public hearing is required to amend the guidelines. Also, special efforts can be made to inform over-income applicants of the change and allow them an opportunity to re-apply to the program.

INSTALLATION OF SIDE-WATER OR SIDE-SEWER CONNECTIONS

CDBG recipients using CDBG funds for side connections to a water or sewer system, assisting only low- and moderate-income households, may begin using the new income limits immediately, if sufficient funds are available. When increasing the limits, the public should be notified of the change. Those who applied for assistance, but were not qualified because of income, should be notified of the change so they can reapply for assistance.

PAYMENT OF ASSESSMENTS

CDBG recipients using funds to pay the assessments of qualified low- and moderate-income households *should* use these new income limits to allow qualifying owner-occupied households to receive assistance, if sufficient funds are available. However, communities are *not required* to use the updated income levels if the project has been completed and the assessments are already paid.

With CDBG-funded assessment programs only, there is an important distinction between low-income and moderate-income households. If a community does not have sufficient CDBG funds to pay the assessments for **both** low-income and moderate-income households, the community *must* first ensure that all **low-income**, owner-occupied households in the service area have the first opportunity to receive assistance. Contact your CDBG contract manager for more information on the requirement.

When income limits are incorporated into the local program guidelines, a public hearing is required to amend the guidelines. Otherwise, CDBG recipients with increased income limits which would allow more people to qualify for program benefits must minimally inform the public of their decision through newspaper articles, public service announcements, and by informing previously disqualified applicants.

NOTE: If you intend to apply for CDBG funds for the 2011 funding year, this is a good time to begin planning for the project. If an income survey will be conducted, the 2010 income limits should be used. Remember, since the income survey and implementation of the CDBG citizen participation requirements can take time to complete, it is good to get an early start. If completing an income survey, you must follow our Community Survey Guide, which is available at www.commerce.wa.gov/cdbg.